

## “An Empirical Study on Visual Merchandising and Its Impact on Consumer Buying Behaviour”

K. Arun Prasad<sup>1</sup>, Dr. SC Vetrivel<sup>2</sup>

<sup>1</sup>Assistant Professor and Research Scholar, Department of Management Studies, Saranathan College of Engineering, Tiruchirappalli 620012, Tamil Nadu, INDIA

<sup>2</sup>Professor and Research Supervisor, School of Management Studies, Kongu Engineering College, Perundurai 638052, Erode, Tamil Nadu, INDIA

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**Abstract:** Visual Merchandising is the presentation of merchandise as well as a store in order to attract customers. It is an attractive way and an eye-catching technique to tell customers what the store stands for and offers to its potential customers. . The retailers today are using the merchandising tool to differentiate themselves from other competitors and to be prominent in the market and attract the customers. The main purpose of this research study is to understand visual merchandising and its impact on consumer buying behavior. This study was conducted to test how the visual merchandising and outlook factors impact store image and customer buying behavior. It is found that window display, fixture, signage, mannequin, colors and lighting were significantly associated with consumer buying behavior. In order to stand out in the increasing competition, it is important that retailers design their store and present it in a creative and eye-catching manner. Greater concern should be given to the product displayed in windows and on mannequins as they are drivers of store visits.

**Keywords:** Visual merchandising, consumer buying behavior, windows display, mannequin, fixtures, signage, colors and lighting.

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### I. Introduction

Visual merchandising is the presentation of a store and its merchandise in such a manner that will attract the attention of potential customers. It aims to assist the store owner, sales manager and staff to meet their objectives by increasing the average sales per customer. This research study provides an overview of the many aspects of visual merchandising impacting on today's traders and retailers. The visual merchandising is purely marketing based terminology and represents one of the most important marketing tools and represents the most direct means of communication to the product which means that any promotional signage like billboards, banners, posters, pamphlets, shop boards, shelf markers and hand bills of any company, shop or brand which customer can see or visualize during his visit to the market or during shopping.

Once customers walk in, it is but imperative that he/she enjoys the first encounter with the store. After all, repeat visits will only happen if a customer's first visit is a memorable one. The logical arrangement of counters, with clear passageways allows for easy access to merchandise. A great deal of research has been undertaken on the impact of visual merchandising on a customer's purchase behavior. The study seeks to understand how effective visual merchandising will be in influencing buying behavior, increase sales and improve the overall image of a store.

The use and manipulation of attractive sales displays and retail floor plans to engage customers and boost sales activity in visual merchandising, the products being sold are typically displayed in such a way to attract customers from the intended market by drawing attention to the products best features and benefits. Visual merchandising deals with the display of products. A good display makes people walk into the store and also helps in making them feel like taking a look around.

It not only communicates the stores image, but also reinforces the stores advertising efforts and encourages impulse buying by the customer. Visual merchandising is a major factor often overlooked in the success or failure of a retail store. Visual merchandising plays a very important role in attracting customers of different sections to buy the goods. The basic objective of visual merchandising is a desire to attract customers to a place of business in order to sell the merchandise. This study focused on six of the many components of visual merchandising strategies that were more pertinent to small apparel businesses and how applying these strategies may benefit small apparel businesses: 1) mannequin 2) Color& Lighting; 4) signage 5) Fixtures; and 6) Window Display.

## II. Literature Review

Bell and Ternus (1952) state that the factors of visual merchandising, such as window and interior display, store layouts & interior design, promotional signing, fixture layouts, displaying merchandise on walls and fixtures. Window displays play the most vital visual communication tool which helps to build a store image as stated by Lea- Greenwood (1953).

Edwards and Shackley (1954) reported that sales increase when window displays are used, especially for new products, and well-known brands.

Gerard (1957) states that in general, warm colors (red and yellow) have produced opposite psychological effects than cool colors (blue and green), which are opposite on the color spectrum. For example, red or warm colors have been found to be associated with increased blood pressure, respiratory rate, eye blink frequency (Cited in: Bellizzi and Hite, 1959).

Bellizzi et al. (1958) investigated the effects of color in retail store design. The results indicated that despite color preferences, subjects were physically drawn to warm color (yellow and red) environments, but they paradoxically found red retail environments to be generally ungraceful, negative, tense, and less attractive than cool color retail (green and blue) environments (Cited in: Bellizzi and Hite, 1992).

Mehrabian (1976) “believed that lighting was an important factor in the environment’s impact on individuals because brightly lit rooms are more absorbing than dimly lit ones”. (Cited in: Summers and Herbert, 1993)

Areni and Kim (1994) found that consumers examined and observed significantly more items under ‘bright’ lighting conditions than under “soft” lighting conditions. With reference to the Illuminating Engineering Society of North America (IES) Handbook states that “the primary goals common in the lighting of merchandise are to attract the consumer, to initiate purchases, and to facilitate the completion of the sale” (Rea, 1993). The IES suggests that when illuminating merchandising spaces, lighting designers should create a “pleasant, absorbing and secure environment to do business” (Rea, 1993, p. 591). Shoppers are highly supersensitive to the way a store is lit.

Visual merchandising is the presentation of a store and its merchandise to the customer through the team work of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by the store (Mills et al., 1995, p.1). In 1998, Pegler argued, Visual merchandising is no longer just a matter of making merchandise look attractive for the customer. It is the actual selling of merchandise through a visual medium.

Visual merchandising includes both store exterior and interior. The store exterior includes window display, façade and retail premises. Window display is a medium which creates first impression in customer’s mind to enter the store. Physical attractiveness of the store impresses customers highly for store selection (Omar, O. 1999).

**Visual communication** have long been considered important aspect of retailing by Practitioners and academic alike (McGoldrick, 1990, 2002). Visual merchandising is an Activity, which coordinates effective merchandising selection with effective merchandising Display (Wolters and White, 1987). In this context, it will be affecting to a positive Psychological or behavioral outcome, ultimately leading to purchase.

**McGoldrick, 1999; Marsh, 1999** Retail store elements such as color, lighting and visual Merchandising have always been considered as having an immediate effects on the buying Decision making process. The emphasis has moved away from in-store product displays, Towards elements that excite the senses of shoppers such as flat screen videos or graphics, Music, smells, lighting and flooring that tend to capture the brand image or personality and Help to create an unique environment and shopping experience

Bell and Ternus (2002) asserted that visual merchandising, once called „display,“ has evolved from its origins as a store’s decorative arts department to its current status as a sales-supportive entity, which impacts store design, store signing, departmental merchandise placement and display, store atmospherics, and store image.

Eroglu (2003), argues that companies and retailers are now dealing with more informed consumers who prefer value, and interested in stores that make efforts to create value through different visual merchandising tools, and merchandising strategies. These tools include the concept of “Atmospherics” and creation of “atmospheric cues” alongside of product. Atmospherics is referred to as an effort to devise the buying environment in a way that it arouses specific emotions that enhances the probability of purchase.

Groepel-Klein (2005), studied different empirical studies and found that the store atmosphere has a strong influence on consumer behavior, and store image. The study further concluded considering the empirical studies that the store atmosphere has a strong influence on consumer consideration of the merchandise and arouse consumer reaction towards the store. Impulse buying and store display are not correlated. Floor merchandising is also correlated with impulse buying.

Bashar and Irshad, (2012) studied the impact of form display, window display, promotional signage and floor merchandising on impulse buying behavior by taking 250 Indian customers. Pearson correlation analysis was used to conduct this study. The Findings suggested that window display, floor merchandising are positively correlated with impulse buying behavior of consumer. Store display is not correlated with the impulse

buying. Overall this study showed that Visual merchandising has a greater impact on the consumer buying behavior.

Park (2014), argued that the proper and effective visual merchandising including illumination helps in differentiating the retail brand, contribute to brand preference and encourage the brand preference. Pillai (2014) found that customers are influenced by attractive windows displays, proper store layout, and appealing visual merchandising themes. The study recommended the proper utilization of visual merchandising as an effective tool of converting potential customers into real customers. The study further concluded that the most important aspect that consumers value most in visual merchandising are proper lighting and attractive display themes.

Bashar and Irshad, (2015) has considered impact of form display, window display, promotional signage and floor merchandising by taking sample size of 250 Indian respondents by applying Pearson correlation. His findings are that window display and impulsive purchasing are positively correlated.

Vinamra et al., (2015) has studied impact of visual merchandising on consumer behavior toward women's Apparel. His dependent variable is visual merchandising and independent variables are neutral role in influencing the purchase and significant role in influencing the purchase. He took sample size of 150 Indian women's who were visiting shopping malls. His findings are that visual merchandising has a very strong impact on customer purchasing behavior. To some extent visual merchandising also leads to impulse buying.

### III. Research Methodology

#### Primary Objective

To study the impact of visual merchandising on the buying behavior and the buying decisions of the customers.

#### Secondary Objectives

- To explore the impact of layout in a retail store on customer buying Behavior.
- To find the impact of window display, mannequin display, fixtures, signage, colors and lighting on consumer impulse buying.
- To explore if buying choices are made before reaching the store or based on visual displays in the store.
- To analyze whether customers can recall the products displayed by visual merchandising or not.

#### Data Collection

Questionnaire designed for the purpose has been used to collect data. The researcher has adopted the Convenient sampling method for his study. Likert scaling is being adopted to measure the “impact of visual merchandising on consumer buying behavior”. Five point Likert scale has been used for this study.

#### Tools Used

- Reliability analysis
- Factor analysis
- Multiple regression

#### Sample Size

A sample of 120 customers has been taken in order to carry out the study.

#### Sample Elements

The sample elements will consist of people who visit and shop from Reliance Trends Trichy.

### IV. Data Analysis And Interpretation

#### Reliability

Cronbach's Alpha	N of Items
.779	25

#### Inference

The alpha values were calculated to assess the internal consistency reliabilities of the Questionnaire. For variables, the value of 0.779 indicated adequate reliability.

#### Factor Analysis

##### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.532	
Bartlett's Test of Sphericity	Approx. Chi-Square	1626.069
	Df	276
	Sig.	.000

#### Inference

The significance level (.000) gives the result of the test. The Kaiser-Meyer-Olkin Measures of sampling adequacy is 0.532 greater than the expected value of 0.5 and hence it is feasible to run factor analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.653	19.389	19.389	4.653	19.389	19.389	2.956	12.318	12.318
2	2.868	11.952	31.341	2.868	11.952	31.341	2.585	10.770	23.088
3	2.460	10.248	41.589	2.460	10.248	41.589	2.386	9.942	33.029
4	2.163	9.011	50.600	2.163	9.011	50.600	2.322	9.673	42.702
5	1.561	6.506	57.106	1.561	6.506	57.106	1.950	8.125	50.828
6	1.472	6.133	63.239	1.472	6.133	63.239	1.880	7.835	58.663
7	1.359	5.663	68.903	1.359	5.663	68.903	1.779	7.412	66.074
8	1.274	5.307	74.209	1.274	5.307	74.209	1.592	6.632	72.707
9	1.151	4.798	79.007	1.151	4.798	79.007	1.512	6.300	79.007
10	.829	3.454	82.461						
11	.731	3.046	85.508						
12	.652	2.716	88.224						
13	.505	2.102	90.326						
14	.439	1.829	92.155						
15	.347	1.445	93.600						
16	.326	1.359	94.958						
17	.257	1.072	96.030						
18	.201	.839	96.869						
19	.190	.790	97.659						
20	.174	.727	98.385						
21	.146	.608	98.993						
22	.107	.447	99.439						
23	.070	.291	99.731						
24	.065	.269	100.000						

Extraction Method: Principal Component Analysis.

**Rotated Component Matrix (a)**

	Component								
	1	2	3	4	5	6	7	8	9
when i visiting stores do pay attention to the display								.693	
creative windows displays attract me into a store		.552							
frequent change of window display help me to learn about the new seasonal merchandises in relinance trends	.580								
i think due to displays it is easy to shop in reliance trends							.879		
mannequin display influence my buying behavior		.707							
i feel manneuin display increase my interest in product									
i ever bought an item of clothing or an outfit i have seen in a mannequin display		.820							
wheni see clothing feautres a new design or style on mannequin display, i tend to buy it.		.639							
i feel the design and layout of store influence my overall shopping experience								.783	
i like the arrangement of products in reliance trends				.655					
it is easy to get which product i want with in the short time			.891						
when i waiting for payment, i would pay attention to product item placed near the counter				.526					
signage increase me awareness towards highlighted products	.830								
offers are clearly informed through displays in reliance trends	.880								
the displays and promotional offers informed in the store attracts me	.529		.503						
when i see a special promotion sign, i go to look at that section									.912
product items are placed according to color could allow me to find them more easily.						.691			
I always pay attention to things covered with strong lighting.									
the tone of colors of fashion prduct could affect my preference towards it.				.863					
the use of lights in different brightness would stimulate my preference towards products.						.580			
i always prefer the reliance trends.						.707			

I always refer my friends to purchase in reliance trends.			.562					
if the collections are less in reliance trends, i will wait for some days for the same.					.848			
I feel good while shopping in reliance trends						.867		

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 A Rotation converged in 18 iterations.

**Inference**

All the 24 variables in the questionnaire are reduced to 9 common factors. The first factor contributes to 12.318 percent variance in the total variance; the second factor contributes to 10.770 percent variance in the total variance; The third factor contributes to 9.942 percent variance in the total variance; The fourth factor contributes to 9.673 percent variance in the total variance; The fifth factor contributes to 8.125 percent variance in the total variance; The sixth factor contributes to 7.835 percent variance in the total variance; The seventh factor contributes to 7.412 percent variance in the total variance; The eighth factor contributes to 6.632 percent variance in the total variance; The ninth factor contributes to 6.300 percent variance in the total variance.

**Regression**

**Model Summary**

**Table No: 4.34**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785(a)	.616	.584	.25480

a Predictors: (Constant), REGR factor score 9 for analysis 1, REGR factor score 8 for analysis 1, REGR factor score 7 for analysis 1, REGR factor score 6 for analysis 1, REGR factor score 5 for analysis 1, REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

**Inference**

The above model summary table shows R-Square for this model is .616. This means that 61.6 percent of the variation in overall satisfaction with visual merchandising (dependent variable) can be explained from 9 components.

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.450	9	1.272	19.596	.000(a)
	Residual	7.142	110	.065		
	Total	18.592	119			

a Predictors: (Constant), REGR factor score 9 for analysis 1, REGR factor score 8 for analysis 1, REGR factor score 7 for analysis 1, REGR factor score 6 for analysis 1, REGR factor score 5 for analysis 1, REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

b Dependent Variable: visual merchandising promotes my overall shopping experience.

**Coefficients (a)**

**Table No: 4.36**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.192	.023		180.210	.000
	REGR factor score 1 for analysis 1	.140	.023	.354	5.998	.000
	REGR factor score 2 for analysis 1	.163	.023	.411	6.959	.000
	REGR factor score 3 for analysis 1	.077	.023	.195	3.296	.001
	REGR factor score 4 for analysis 1	.120	.023	.304	5.148	.000
	REGR factor score 5 for analysis 1	.032	.023	.081	1.373	.172
	REGR factor score 6 for analysis 1	.151	.023	.382	6.464	.000

REGR factor score 7 for analysis 1	.032	.023	.081	1.369	.174
REGR factor score 8 for analysis 1	.012	.023	.029	.497	.620
REGR factor score 9 for analysis 1	-.069	.023	-.175	-2.967	.004

a Dependent Variable: visual merchandising promotes my overall shopping experience.

**Inference**

To determine if one or more of the independent variables are strong and significant predictors of overall fulfillment of visual merchandising, we examine the information in the coefficient table. From the above 9 components all of them were statistically significant. The standardized coefficient beta column reveals, Factor score1 (.354), which is significant (.000), factor score 2(.411), which is significant (.000), factor score3 (.195) which is significant (.001), factor score4 (.304) which is significant (.000), factor score5 (.081) which is significant (.172), Factor score6 (.382), which is significant (.000), factor score 7(.081), which is significant (.174), factor score 8 (0.029) which is significant (.620), factor score 9 (-.175) which is significant (.004).

**V. Findings**

The variables are grouped into 9 factors from the study.

**Factor Component 1**

- Frequent change of window display help me to learn about the new seasonal merchandises in Reliance trends
- Signage increase me awareness towards highlighted products
- Offers are clearly informed through displays in reliance trends
- The displays and promotional offers informed in the store attracts me

**Factor Component 2**

- Creative windows displays attract me into a store
- Mannequin display influence my buying behavior
- I ever bought an item of clothing or an outfit I have seen in a mannequin display
- When I see clothing features a new design or style on mannequin display, i tend to buy it.

**Factor Component 3**

- It is easy to get which product i want with in the short time
- The displays and promotional offers informed in the store attracts me
- I always refer my friends to purchase in reliance trends.

**Factor Component 4**

- I like the arrangement of products in reliance trends
- When I waiting for payment, I would pay attention to product item placed near the counter
- The tone of colors of fashion product could affect my preference towards it.

**Factor Component 5**

- I always prefer the Reliance trends.
- If the collections are less in reliance trends, I will wait for some days for the same.

**Factor Component 6**

- Product items are placed according to color could allow me to find them more easily.
- The use of lights in different brightness would stimulate my preference towards products.
- I feel good while shopping in reliance trends

**Factor Component 7**

- I think due to displays it is easy to shop in reliance trends

**Factor Component 8**

- When I visiting stores do pay attention to the display
- I feel the design and layout of store influence my overall shopping experience

**Factor Component 9**

- When I see a special promotion sign, I go to look at that section

**Reliability**

- The alpha values were calculated to assess the internal consistency reliabilities of the Questionnaire. For variables, the value of 0.779 indicated adequate reliability.

**Regression**

- R-Square value is .616. This means that 61.6 percent of the variation in overall fulfillment of visual merchandising (dependent variable) can be explained from 9 components.

- There is significant relationship between overall satisfaction of visual merchandising and reduced factor components.

#### **Limitations of the Study:**

- The study is confined just to one particular store, Reliance Trends Trichy.
- The study is not a longitudinal study and is confined to only one point of time, when the survey was undertaken.
- The small sample size of the study, which might bring in the question of statistical validity of the results.

### **VI. Conclusion**

This study was conducted to test how the visual merchandising and outlook factors impact store image and customer buying behavior. The main objective of this research was to identify the visual merchandising factors that impact store image and further examining the relationship of the identified independent variables of store layout and design, lighting, colors, mannequin, window display, promotional signage, product presentation and in-store displays with the dependent variable that is store image and purchase intention. The results show that promotional signage play an important role in establishing a store image. The in-store signage and product information displayed over the aisle and shelves help the retailers to attract customers and increase sales. Visual merchandising plays an important role in building the store image. Firms focus on displays in order to showcase the latest trends and the new arrivals. Majority of consumers respond to the in-store signage more positively. They specially mentioned that signage help them to select precise products, reduce the time utilized and feel comfortable during the shopping process. It is detected that most people are attracted into a store to buy a product after looking at the shop's visual and mannequin displays. In case of apparels, mannequin plays a great role giving customers an idea of what are the latest trends and the visual appearance of the merchandise. Store window display is a great way to lure people into the store, as it gives them a look at stuffs that they can assume to be present inside the store. They are also a great way to highlight certain types of merchandise. Signage is cost-effective gear for conveying a message or informing the customer about the merchandise available in the retail store. In-store displays are the major drivers to purchase as they compel customers to view products creatively presented and displayed inside the outlet.

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